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Ms. Tracie Billington
Department of Water Resources
Division of Planning and Assistance
P.O. Box 942836
Sacramento, CA 94236-0001

Ms. Shahla Farahnak
State Water Resources Control Board
Division of Financial Assistance
1001 "I" Street, 16th Floor
Sacramento, CA 95814

February 8, 2007

Dear Ms. Billington and Ms. Farahnak:

O'Neill Sea Odyssey is a non-profit organization that provides a free, ocean-going watershed-to-the-sea education program to largely underserved youth in central California. *We are in favor of the State's proposal to fund the additional proposals that competed in the Step 2 grant process.* These projects include \$12.5 million to northern Santa Cruz County as well as \$12.5 million to Monterey County.

The IRWM grant is needed now, not only to address the urgent and critical water needs but also to keep the IRWM process moving forward in the Monterey Bay region. The Northern Santa Cruz partner agencies have worked together to integrate projects since 1998, and have cooperated on IRWM development and implementation since 2002. They provided leadership for IRWM planning to other agencies in the Northern and Coastal Counties Water Bond Coalition. A \$12.5 million implementation grant now rewards this important effort. Project costs will escalate and the impact of a grant will be diminished if Santa Cruz and Monterey County agencies are forced to delay these priority projects because of a lack of funding. Many of the needs such as the water system improvements to meet public health standards in Davenport and Sediment TMDL implementation on the San Lorenzo River are extremely time-sensitive. I feel strongly that the Prop 50 IRWM funds should be directed to proposals that were called back for step 2, as described in the revised funding recommendations.

The revised funding recommendations set the stage for an unprecedented level of regional cooperation and collaboration throughout the Central Coast, and in particular, the Monterey Bay region. The Northern Santa Cruz IRWM grant will be used to address critical coastal water supply problems as well as TMDL's; coho salmon and steelhead recovery. A local match of \$68 million for the \$25 million proposal was assembled and even at 50% grant funding, much of this match will remain intact and will leverage the state's investment. The revised recommendations will result in a wiser use of public funds at the local level, because agencies that prepared Step 2 proposals will be spared the considerable expense of repeating the application process at a later date. Some agencies spent over \$500,000 in local funds preparing these proposals. Awarding grants to those who have already applied and shown merit makes good sense.

I strongly urge you to consider these additional proposals for funding. Thank you for your time and consideration of these valuable projects. I can be reached at (831) 465-9390 if you have any questions.

Sincerely,

Dan Haifley
Executive Director